

**CITY OF LEESBURG RETIREMENT PLAN FOR GENERAL EMPLOYEES**  
**SUMMARY PLAN DESCRIPTION**

**June 1, 2010**

**IS YOUR BENEFICIARY FORM CURRENT? IN THE EVENT YOU DIE, YOUR BENEFIT OR CONTRIBUTIONS WILL BE DISTRIBUTED TO THE PERSON OR PERSONS DESIGNATED BY NAME ON THE BENEFICIARY FORM ON FILE WITH THE PENSION PLAN. NO PROVISION IN YOUR LAST WILL AND TESTAMENT WILL CHANGE THIS SELECTION. PLEASE BE SURE THAT YOUR BENEFICIARY FORM DESIGNATES THE PERSON OR PERSONS YOU INTEND TO RECEIVE YOUR BENEFITS AND THAT YOU REVIEW THIS CHOICE IN THE EVENT OF A MAJOR LIFE CHANGE SUCH AS A DIVORCE OR THE DEATH OF YOUR BENEFICIARY.**

# **CITY OF LEESBURG RETIREMENT PLAN FOR GENERAL EMPLOYEES SUMMARY PLAN DESCRIPTION**

## **INTRODUCTION**

The Board of Trustees of the City of Leesburg Retirement Plan for General Employees is pleased to present this booklet which briefly explains the provisions of your General Employees' Retirement Plan. As a participant in the Fund, you are included in a program of benefits to help you meet your financial needs at retirement, or in the event of disability or death.

This booklet can assist you in preparing for your retirement and financial future. If you need further information on any of the topics presented in this booklet, please contact any member of the Board of Trustees. They will either answer questions you might have to help you understand your benefits or otherwise get you an answer to your questions. We urge you to read and understand this booklet in order to become familiar with the benefits of the plan and how they contribute to your financial security and how they will enrich your retirement years.

The information presented is only a summary of the pension plan ("Plan") as provided in the ordinances of the City of Leesburg. If there are any conflicts between the information in this booklet and the ordinances of the City of Leesburg, the ordinances shall govern. The provisions of this Summary Plan Description shall not constitute a contract between the Member and the Board of Trustees. The plan shall be administered in accordance with state and federal law, notwithstanding any provisions in this booklet or ordinances to the contrary. A copy of the ordinance establishing the Plan can be obtained from the City Clerk's office, which is located at 501 West Meadow Street, Leesburg, Florida 34749. Any questions about the plan can be directed to the Plan Administrator, Ms. Barbara Cooper, Post Office Box 64, Lady Lake, Florida 32158-0064, who can be contacted at (352) 250-6814.

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Chairman, Board of Trustees, City of  
Leesburg Retirement Plan for General  
Employees

\_\_\_\_\_  
Date

1. **BOARD OF TRUSTEES AND PLAN ADMINISTRATION**

A. **Administration.**

- (1) The City of Leesburg Retirement Plan for General Employees is a defined benefit pension plan administered by a Board of Trustees which acts as the administrator of the Plan. The Board consists of 7 Trustees, one of whom shall be a resident of the City who is appointed by the City Commission, 3 of whom shall be the City Manager or a person designated by the City Manager, the Human Resources Director, and another department head appointed by the City Manager, 2 of whom are Members of the System who are elected by a majority of the General Employees who are Members of the System who are not Police Officers and 1 of whom shall be a certified Police Officer who is a member of the System and who is chosen by a majority of the certified Police Officers who are members of the System. Each Trustee serves a three year term.
- (2) DROP participants can be elected as and vote for elected Trustees.

B. The names and addresses of the current Trustees are attached to this Summary Plan Description as Exhibit "A". The Chairman of the Board is designated as agent for the service of legal process.

2. **ELIGIBILITY FOR PLAN MEMBERSHIP**

Each person employed by the City as of September 30, 2008 as a full-time General Employee shall remain a member of the System and is therefore eligible for plan benefits as provided for in the plan document and by applicable law with the exception of designated department heads and administrative management employees who elected to opt out of the System as provided for in the plan document. All General Employees who are not members of the System as of September 30, 2008, and all future new General Employees shall be ineligible to become members of this System.

3. **PLAN BENEFITS**

All claims for benefits under the System shall be made in writing to the Board.

A. **Normal Retirement Eligibility.** You are eligible for retirement upon the attainment of age 65 and the completion of 5 years of credited service.

B. **Amount of Normal Retirement Benefits.** The amount of the normal retirement benefit is based on your credited service and average final compensation:

"Credited Service" is generally your period of employment as a General Employee in the City measured in years and parts of years prior to October 1, 2008. Credited service will include credit for up to five years for a break in employment for military service, pursuant to conditions provided for under state or federal law, provided that you are reemployed within 1 year of discharge under honorable conditions and you deposit contributions for absences in excess of 2 years.

If you accrue at least 15 years of credited service, including service after October 1, 2008, credited service will also include up to a maximum of 4 years of active military service in the Armed Forces of the United States served prior to your employment with the City, as long as you are not currently receiving a continuing military service pension. Additional credited service time may also be available (See subsection K. below).

Any period of absence of 31 days or more shall be excluded from your credited service unless you receive regular compensation from the City during such absence. Any absence of 30 days or less shall be included in credited service.

In the event you have also accumulated credited service in another pension system maintained by the City, such other credited service shall be used in determining vesting and eligibility for early or normal retirement under this plan, but not for determining benefits.

For purposes of determining your normal retirement benefit, Credited Service shall not include service with the City after September 30, 2008. Credited Service after September 30, 2008 shall, however, be taken into consideration for vesting and benefit entitlement purposes.

"Average Final Compensation" is 1/12 of your average salary of the 3 highest consecutive years of the last 10 years of credited service prior to your termination, retirement or death or the career average as a full-time General Employee, whichever is greater. Average Final Compensation shall not take into account Salary paid after September 30, 2008.

"Salary" is basic compensation for services rendered to the City as a General Employee reportable as wages on your W-2 form, excluding overtime pay, shift differential, stand-by pay, lump sum payments of vacation pay due, payment for accrued sick leave, severance pay, bonuses, expense allowances and all other forms of extraordinary compensation, and plus all tax deferred, tax sheltered or tax exempt items of income derived from elective employee payroll deductions or salary reductions otherwise includible in basic compensation.

The normal retirement benefit is calculated by multiplying 2% times years of credited service prior to October 1, 2008, times your average final compensation up to a maximum of 45 years:  $(2\% \times CS \times AFC = \text{normal retirement benefit})$ .

Normal and early retirement payments will commence on the first day of the month following your last day of employment. Early retirees may defer the commencement of benefits. The benefit is paid to you for your life.

C. Early Retirement. You are eligible for early retirement upon the attainment of age 50 and the completion of 15 years of credited service.

D. Amount of Early Retirement Benefits. The amount of the early retirement benefit is calculated in the same manner as for normal retirement and is available as follows:

- (1) Beginning at age 65; or
- (2) Beginning immediately upon retirement, but if beginning immediately, the amount of the monthly benefit is reduced by 3.33% for each year by which the commencement of benefits precedes age 65. The reduction for partial years will be prorated.

E. Cost of Living Increases. In addition to the benefits provided above, the Plan provides for a cost of living increase as follows:

All early and normal retirement retirees, disability retirees and their beneficiaries and joint annuitants and including beneficiaries of those receiving pre-retirement death benefits (except terminated vested) shall receive an annual cost of living increase of two percent (2%) beginning on the first October 1st following the date that is three (3) years after the Retiree's otherwise normal retirement date. Members who retire after age 65 will receive their first increase on the first October 1st following the later of age 68 or one (1) year after their actual retirement date.

Terminated vested persons, and their beneficiaries shall not be eligible for these increases. In the event that the first increase as determined above, is more than thirty-six (36) months following the otherwise normal retirement date, the first adjustment shall be increased by the product of two percent (2%) times a fraction, the numerator of which is the number of whole months that the first adjustment date exceeds thirty-six (36) months after the otherwise normal retirement date and the denominator of which shall be twelve (12).

F. Other Retirement Options. At retirement, certain additional options are available as follows:

- (1) Optional Forms of Retirement. In lieu of the amount and form of retirement income payable under normal and early retirement, you may elect to receive a retirement benefit in a different form so long as the form you elect is of equal actuarial value as the normal benefit. The optional forms of benefits which are available are:
  - (a) A retirement income of a monthly amount payable to you for your lifetime only, but you or your beneficiary shall receive at least 120 monthly benefit payments in any event.
  - (b) A retirement income of a modified monthly amount, payable to you during your lifetime and following your death, 100%, 75%, 66 2/3% or 50% of such monthly amount payable to a joint pensioner for his lifetime.
  - (c) If you retire prior to the time at which social security benefits are payable, you may elect to receive an increased retirement benefit until such time as social security benefits shall be assumed to commence and a reduced benefit thereafter in order to provide, to as great an extent as possible, a more level retirement allowance during the entire period of retirement.
  - (d) If you do not participate in the DROP, you may also elect to receive an initial lump sum payment equal to 10%, 15%, 20% or 25% of your accrued benefit with the remaining 90% 85%, 80% or 75%, respectively, payable in a form selected by you and provided for in (a), (b) or (c) above or in the normal form (life annuity).
- (2) Deferred Retirement Option Plan (DROP).
  - (a) If you become eligible for normal retirement, and are still employed by the City as a General Employee, you have the option of "retiring" from the pension plan but continuing your employment as a General Employee for an additional 5 years. An election to participate in the DROP constitutes an irrevocable election to resign from the service of the City not later than 5 years from the commencement of DROP participation. You must request, in writing, to enter the DROP.

- (b) Upon entering the DROP, your retirement benefit is immediately calculated and each monthly benefit payment is deposited into your DROP account. You may elect to either have your account credited with interest at the rate of 6.5% per annum or credited or debited with an investment return or loss equal to the net investment return realized by the System for that quarter. One change in election is permitted.
- (c) At the time of termination of employment at the end of the DROP period, you will receive your account balance in a lump sum or in another optional form and you will also begin receiving your monthly retirement benefit.
- (d) Once you enter the DROP, you are no longer eligible for disability or pre-retirement death benefits, nor do you accrue any additional credited service. Your retirement benefit is fixed as of your entry date.
- (e) Participation in the DROP is not a guarantee of employment and DROP participants shall be subject to the same employment standards and policies that are applicable to employees who are not DROP participants.
- (f) Additional information about the DROP can be obtained from the Board.

G. Disability Retirement. You are eligible for a disability benefit when you have completed 10 or more years of credited service and when you have become totally and permanently disabled to the extent that you are unable to perform the regular duties of your usual course of employment as a General Employee or the duties of any other position or job the City makes available to you and for which you may be qualified through training, education or experience. A written application is made to the Board for a disability pension and the Board receives evidence of the disability and decides whether or not the pension is to be granted. If the pension is granted, the benefit amount shall be:

- (1) Prior to Eligibility for Normal Retirement. The benefit which is payable prior to the date on which you would have been eligible for normal retirement had you not become disabled and had continued employment shall be a benefit equal to the lesser of 50% of your average final compensation as of the date of disability or \$1,500 per month. Your benefit will be reduced if you receive workers' compensation benefits and your combined benefit exceeds 100% of your final salary. The pension benefit will be reduced so that the total does not exceed 100%.
- (2) On or After Eligibility for Normal Retirement. The benefit which is payable on or after the date on which you would have been eligible for normal retirement had you not become disabled and had continued employment shall be a benefit equal to 2% multiplied by your average final compensation at the date of disability, multiplied by your anticipated credited service at your normal retirement date. "Anticipated credited service" shall equal the years and parts of years of credited service that you would have accrued at your normal retirement date if your employment had not been terminated due to disability but had continued uninterrupted from the date of termination due to disability to your normal retirement date.

Terminated persons, either vested or non-vested, are not eligible for disability benefits, except that those terminated by the City for medical reasons may apply for a disability benefit within 30 days after termination.

Your disability benefit terminates upon the earlier of death or recovery. Your designated beneficiary, however, may be entitled to a death benefit as provided for in Section H, subsection (3) below.

To receive disability benefits, you must establish to the satisfaction of the Board, that such disability was not occasioned primarily by:

- (1) Excessive or habitual use of any drugs, intoxicants or narcotics.
- (2) Injury or disease sustained while willfully and illegally participating in fights, riots or civil insurrections.
- (3) Injury or disease sustained while committing a felony.
- (4) Injury or disease sustained while serving in any branch of the Armed Forces.
- (5) Injury or disease sustained after your employment as a General Employee with the City of Leesburg shall have terminated.
- (6) Willful, wanton or intentional misconduct or gross negligence.
- (7) Injury or disease sustained while working for anyone other than the City and arising out of such employment.

As a disabled pensioner, you are subject to periodic medical examinations as directed by the Board to determine whether a disability continues. You may also be required to submit statements from your doctor, at your expense, confirming that your disability continues.

H. Death Before Retirement. If you die prior to retirement from the City, your beneficiary shall receive the following benefit:

- (1) Prior to Eligibility for Retirement. If you were not receiving monthly benefits or were not yet eligible for normal retirement, your beneficiary shall receive a monthly retirement benefit equal to the greater of:
  - (a) the single sum value of your deferred monthly retirement benefit beginning at your normal retirement date which accrued to the date of your death; or
  - (b) (i) or (ii), whichever is smaller, where:
    - (i) is 18 times your average final compensation at the date of your death; or
    - (ii) is 100% times the anticipated monthly retirement income at your normal retirement date.

“Anticipated number of years of credited service” shall be equal to the number of years you would have accrued at the time of normal retirement if your employment had not been terminated but had continued uninterrupted from the date of your death to your normal retirement date. The amount of the anticipated monthly retirement benefit at your normal retirement date shall be determined as for normal retirement as provided for in Section B above and based on your anticipated number of years of credited service at your normal retirement date and your projected rate of average final compensation at your normal retirement date. “Projected average final compensation” at your normal retirement date shall be determined as of your normal retirement date based on the assumption that your salary prior to your death would have continued without change to your normal retirement date.

(2) Deceased Members Eligible for Retirement. If you die and, at the date of your death were eligible for normal retirement, your beneficiary shall be entitled to a benefit which can be provided by the sum of:

- (a) The single sum value of your normal retirement benefit (computed as of your normal retirement date as provided for in Section B above) to which you were entitled on your normal retirement date, and
- (b) The amount of interest on the single sum in (a) above, where the interest shall be compounded annually from your normal retirement date to the first day of the month following your death.

(3) Death Benefit Payable in the Event of Death of Disability Retiree Prior to Eligibility for Normal Retirement.

If you are disabled and die prior to eligibility for normal retirement, your beneficiary shall be entitled to receive a monthly benefit which can be provided by the greater of (a) or (b) below where:

- (a) is equal to the single sum value, as of the date of your death, of the deferred monthly retirement benefit beginning at your normal retirement date which you would have accrued to the date of termination of service due to disability, and
- (b) is (i) or (ii), whichever is smaller, where:
  - (i) is the amount equal to 18 times your average final compensation at the date of termination due to disability, and
  - (ii) is 100 times your anticipated monthly retirement benefit at your normal retirement date.



“Anticipated number of years of credited service” shall be equal to the number of years you would have accrued at the time of normal retirement if your employment had not been terminated but had continued uninterrupted from the date of your termination of service due to disability to your normal retirement date. The amount of the anticipated monthly retirement benefit at your normal retirement date shall be determined as for normal retirement as provided for in Section B above and based on your anticipated number of years of credited service at your normal retirement date and your projected rate of average final compensation at your normal retirement date. “Projected average final compensation” at your normal retirement date shall be determined as of your normal retirement date based on the assumption that your salary prior to the date of termination of service due to disability would have continued without change to your normal retirement date.

(4) Death Benefit in the Event of Death of a Terminated Vested Person Prior to Receipt of Benefits.

In the event that you were a terminated vested person and die prior to the date at which your benefit payments were to commence, your beneficiary shall receive the monthly retirement benefit which can be provided on an actuarially equivalent basis by the single sum value of the benefit to which you were entitled as of the date of your termination, accumulated with interest. Benefits shall commence on the first day of the month following your death.

(5) Manner of Payment of Death Benefits.

The payment of the benefits provided for in (1), (2), (3) and (4) above shall be for ten years certain and life thereafter which provides monthly income payments for the life of your beneficiary and further provides that should your beneficiary die within the 10 year period following your death, the same monthly amount shall be continued for the remainder of such 10 year period subject to the beneficiary provisions provided for in the plan document.

I. Reemployment After Retirement. If you retire under normal or early retirement and wish to be reemployed by the city, you should be aware that your ability to continue to receive your pension benefit upon reemployment may be restricted.

J. Termination of Employment and Vesting. If your employment is terminated, either voluntarily or involuntarily, the following benefits are payable:

- (1) If you have less than 5 years of credited service upon termination, you shall be entitled to a refund of the money you have contributed, if any, or you may leave it deposited with the Fund.
- (2) If you have 5 or more years of credited service upon termination, you shall be entitled to a monthly retirement benefit. The benefit shall be determined in the same manner as for normal or early retirement and shall be based upon your credited service, average final compensation and the benefit accrual rate as of the date of termination. The benefit

shall be payable to you starting at your otherwise normal or early retirement date and based upon your actual years of credited service, provided you do not elect to withdraw your contributions, if any, and provided you survive to your otherwise normal or early retirement date. If you do not withdraw your accumulated contributions and do not survive to your otherwise normal or early retirement date, your designated beneficiary shall be entitled to a benefit as provided herein for in subsection (4) of Section G, Death Before Retirement.

The Internal Revenue Code provides that certain eligible lump sum distributions from the pension plan may be directly rolled over into qualified individual retirement accounts, annuities or certain other pension plans. A 20% withholding shall be required on taxable portions of such lump sum distributions not directly transferred to a new custodian.

K. Additional Credited Service. In addition to credited service actually earned in the employment of the City, you may also receive credited service as follows:

- (1) "Buy-Back" for Prior Government Service. The years or fractional parts of years that you previously served as a General Employee with the City of Leesburg during a period of previous employment and for which period accumulated contributions were withdrawn from the Fund, or if you terminated employment and are not otherwise entitled to receive credited service for such period of employment as a General Employee, or the time you previously served as an employee for any governmental agency in the United States, including but not limited to federal, state or local government service, and for which you do not otherwise qualify for and receive credit under this System, shall be added to your years of credited service provided that:
  - (a) You contribute to the Fund a sum of money equal to:
    - (i) an amount to be determined by the Board's actuary so that there is no cost to the plan in giving you the additional years of credited service, plus
    - (ii) the amount charged by the actuary for determining the amount you must contribute.
  - (b) Multiple requests to purchase credited service may be made at any time prior to retirement.
  - (c) Payment of the required amount shall be made within 6 months of your request for credit, but not later than your retirement date, and shall be made in one lump sum payment upon receipt of which credited service shall be given.
  - (d) There shall be no maximum purchase of credited service pursuant to this subsection and credited service purchased for prior service with the City of Leesburg shall count for all purposes, including vesting and eligibility for disability retirement. Credited service purchased for any other government service shall count for all purposes, except vesting and eligibility for disability retirement.

- (e) In no event, however, may credited service be purchased pursuant to this subsection for prior service with any other governmental agency, if such prior service forms or will form the basis of a retirement benefit or pension from a different employer's retirement system or plan.
- (2) "Buy-Back" of Time Lost Due to Absences Authorized by the Family and Medical Leave Act. If you are absent on unpaid leave under the Family & Medical Leave Act, you may purchase lost credited service by making an actuarially determined contribution to the Plan, such that there is no cost to the Plan in allowing such credited service, within strict time periods provided for in the plan document.
- (3) Rollovers or Transfers of Funds to Purchase Service. In the event you are eligible to purchase additional credited service as provided above, you may be eligible to rollover or transfer funds from another retirement program in which you participate (traditional IRA, deferred compensation plan maintained by a government employer (457 plan), 401k plan, profit sharing plan, defined benefit plan, money purchase plan, annuity plan or tax sheltered annuity) in order to pay all or part of the cost of purchasing such additional credited service.

L. Contributions and Funding. The City is paying the entire cost of the pension plan. You make no contributions to the fund.

M. Maximum Benefits. In no event will the annual benefits paid from this System exceed \$195,000 annually, subject to certain cost of living adjustments and actuarial reductions prior to age 62 as set forth in Section 415 of the Internal Revenue Code.

N. Forfeiture of Pension. If you are convicted of the certain crimes listed in the plan document committed prior to retirement, or if your employment is terminated by reason of your admitted commission, aid or abetment of these crimes, you shall forfeit all rights and benefits under the System, except for the return of your contributions as of the date of your termination.

O. Claims Procedure Before the Board. You may request, in writing, that the Board review any claim for benefits under the System. The Board will review the case and enter a decision as it deems proper within not more than 180 days from the date of the receipt of such written request, or in the case of a disability claim, from receipt of a medical release and completed interrogatories. The time period may be extended if you agree to the extension.

The Board's decision on your claim will be contained in an order which will be in writing and will include:

- (1) The specific reasons for the Board's action;
- (2) A description of any additional information that the Board feels is necessary for you to perfect your claim;
- (3) An explanation of the review procedure next open to you which includes a formal evidentiary hearing.

4. **NON-FORFEITURE OF PENSION BENEFITS**

A. Liquidation of Pension Fund Assets. In the event of repeal, or if contributions to the Fund are discontinued by the City, there will be a full vesting of benefits accrued to date of repeal.

B. Interest of Members in Pension Fund. At no time prior to the satisfaction of all liabilities under the System shall any assets of the System be used for any purpose other than for the General Employees' exclusive benefit. In any event, your contributions to the System are non-forfeitable.

5. **VESTING OF BENEFITS**

Your retirement benefits are fully vested after 5 years of credited service.

6. **APPLICABLE LAW**

The System is governed by certain federal, state and local laws, including, but not limited to the following:

A. Internal Revenue Code and amendments thereto.

B. Part VIII, Chapter 112, Florida Statutes, "Actuarial Soundness of Retirement Systems".

C. Ordinances of the City of Leesburg.

D. Administrative rules and regulations adopted by the Board of Trustees.

7. **PLAN YEAR AND PLAN RECORDS**

The plan year begins on October 1 of each year and ends on September 30 of the following year. All records of the System are maintained on the basis of the plan year.

8. **APPLICABLE PROVISIONS OF COLLECTIVE BARGAINING AGREEMENTS**

There is no current collective bargaining agreement between the City and the General Employees.

9. **FINANCIAL AND ACTUARIAL INFORMATION**

A report of pertinent financial and actuarial information on the solvency and actuarial soundness of the System has been prepared by the Retirement Plan's actuary, Foster & Foster, Inc., and is attached as Exhibit "B".

10. **DIVORCE OR DISSOLUTION OF MARRIAGE**

Federal and state law provides certain restrictions regarding the payment of your pension benefits in the event of your divorce or dissolution of marriage. Immediately upon your involvement in such a legal proceeding, you should provide a member of the Board with the name and address of your attorney or your name and address if you have no attorney. The Board's attorney will then provide you or your attorney with information concerning the legal restrictions regarding your pension benefits. In addition, a copy of any proposed order must be submitted to the Board prior to entry by the court. Failure to do so may require you to pay any expenses incurred by the Board in correcting an improper court order.

**EXHIBIT "A"**

**BOARD OF TRUSTEES**

The names and addresses of the members of the Board of Trustees are:

Chairman: Tino Anthony  
City of Leesburg  
Post Office Box 490630  
Leesburg, FL 34749

Vice-  
Chairman: Steven D. Rockefeller  
City of Leesburg  
Post Office Box 490630  
Leesburg, FL 34749

Secretary: Jerry Boop  
City of Leesburg  
Post Office Box 490630  
Leesburg, FL 34749

Member: Alfred C. Haliday, Jr.  
City of Leesburg  
Post Office Box 490630  
Leesburg, FL 34749

Member: Jacqueline C. Perry  
City of Leesburg  
Post Office Box 490630  
Leesburg, FL 34749

Member: Jay Evans  
City of Leesburg  
Post Office Box 490630  
Leesburg, FL 34749

Member: Darell Schlegel  
City of Leesburg  
Post Office Box 490630  
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